

REMARKS

I. Status of the Application

Claims 2, 3, 5-8, 38, 39, 41-44, 74, 75, 80, 82-87, 92, and 94-140 are pending in the application, with claims 2, 38, 116 and 133 being independent claims.

Applicant has amended claims 2, 3, 5, 7, 80, 82-85, 99-101, 103, 105-106, 133-134, 136, and 138-140. All amendments are supported by the application and claims as originally filed. No new matter has been added.

Entry of the amendments is respectfully requested. Applicants have amended the claims to recite particular embodiments that Applicants, in their business judgment, have determined to be commercially desirable at this time. The claim amendments have not been submitted for any reasons relating to patentability.

In a Final Office Action dated April 29, 2008 (the "Office Action"), the Examiner rejected all of the pending claims. Applicant respectfully contends that the rejection of these claims on all grounds presented by the Examiner contain clear legal and factual deficiencies.

II. Rejections Under 35 U.S.C. §112, First Paragraph

Claims 2, 3, 5-8, 38-39, 41-44, 74-75, 80, 82-87, 92, and 94-140 stand rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement. Office Action, p. 2. In particular, the Office Action asserts that the application as originally filed does not support the following recitations of independent claims 2, 38, 116, and 133: "generating an agreement . . . and at a *specified location*" "delivering the durable good, in accordance to the agreement, to the *specified location on the future date.*" *Id.* (emphasis in original). The Examiner requests that Applicant identify support for these recitations in the application as originally filed.

Applicant has amended claims 2, 38, 116, and 133, and these claims no longer recite the language quoted by the Examiner. Rather, as amended the claims recite features related to delivery such as a “designated future date of delivery,” “delivering the vehicle,” and “a method of delivery.” See, e.g., claims 2, 103, and 106. These features are supported, explicitly and/or inherently, at least at Figure 7 (e.g., Delivery Option 704) and ¶¶ 25, 51, 52, 61, and 66 of the application as originally filed. For instance, ¶ 25 discusses the obligation in a durable good futures contract to “take delivery [] of the underlying durable good.”

Accordingly, Applicant submits that the claims are supported by the specification, and this rejection should be withdrawn.

III. Rejections Under 35 U.S.C. §103(a)

Claims 2, 3, 5-8, 38, 39, 41-44, and 74, 75, 80, 82-87, 92, and 94-140 stand rejected under 35 U.S.C. §103(a) as being obvious in view of U.S. Patent No. 6,993,511 (“Himmelstein”) in view of U.S. Patent No. 6,604,107 (“Wang”) and further in view of U.S. Patent No. 6,885,998 (“Arduino”). Office Action, p. 3.

According to the Examiner, Himmelstein discloses generating, storing, and querying parameters of contracts associated with a transaction of a durable good at a future date, and generating an agreement to exchange ownership of the good at the future date. Office Action, p. 3. The Examiner concedes that Himmelstein does not teach “a vehicle and the first parameter comprises at least one of: a year of the vehicle, a manufacturer of the vehicle and a model of the vehicle, and delivering the durable good, in accordance to the agreement, to the specified location on the future date.” The Examiner asserts that Wang discloses creating a data structure for automobiles having attributes such as make, model, and year. The Examiner also asserts that Arduino discloses delivering a durable good in accordance to an agreement on a future date. *Id.* at p. 4.

However, the Office Action fails to state a *prima facie* case of obviousness for any claim.

1. There is No Substantial Evidence of Motivation to Modify the Himmelstein Reference

The motivation proffered by the Office Action to modify Himmelstein to include vehicle futures contracts has no basis in the evidence of record. Instead, the Office Action merely provides a conclusory and therefore inappropriate assertion that one of ordinary skill would modify Himmelstein to include selected features of Wang and Arduino, without any specific support. For instance, on page 4 the Office Action asserts that “[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to modify Himmelstein’s durable good to include at least a descriptive parameter of a vehicle as taught by Wang for the obvious reason of categorizing the vehicles.” Similarly, the Office Action asserts that “[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to modify Himmelstein to include [Arduino’s purported teaching of delivering a durable good] *for the obvious reason of ensuring that the good is delivered* as to by [sic] the customer” (emphasis added). In other words, the Examiner asserts that it would have been obvious to include the feature of delivering the vehicle for the reason of ensuring delivery. This is circular reasoning, not evidence.

Furthermore, the Office Action has proffered no evidence whatsoever – not even a conclusory statement – to explain why one of ordinary skill in the art would modify Himmelstein to incorporate futures contracts for *vehicles*. The Office Action points out that Himmelstein discloses contracts related to gold. Office Action, p. 4. However, vehicles are very different from gold and the other barter item categories disclosed in Himmelstein (stock, cash, web barter dollars, Himmelstein Options, CD’s, bonds, notes, Option Put, etc.). See Himmelstein, column 1, lines 14-25.

The Federal Circuit has held that obviousness is a legal question based on underlying factual findings that must be supported by substantial evidence. In re Zurko, 258 F.3d at 1383-84 (“Obviousness is a legal question based on underlying factual determinations.... We review factual findings underlying [the legal determination of obviousness] for substantial evidence.”); see also MPEP § 2144.03 (“The standard of review applied to findings of fact is the ‘substantial evidence’ standard under the Admin-

istrative Procedure Act (APA)"). Notably, in KSR the Court did not overrule this precedent. Rather, the Court, quoting the Federal Circuit with approval, reiterated that mere conclusory statements are insufficient to support a conclusion of obviousness. KSR Int'l Co. v. Teleflex Inc., 127 S.Ct. 1727, 1740-42 (S.Ct. 2007) ("[R]jections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." (quoting In re Kahn, 441 F.3d 977, 988 (C.A.Fed. 2006))).

Similarly, the MPEP clearly articulates that obviousness is a question of law based on underlying factual findings. Specifically, MPEP § 2141 states in part:

Obviousness is a question of law based on underlying factual inquiries. ...

Office personnel fulfill the critical role of fact-finder when resolving the *Graham* inquiries. It must be remembered that while the ultimate determination of obviousness is a legal conclusion, the underlying *Graham* inquiries are factual. When making an obviousness rejection, Office personnel must therefore ensure that the written record includes findings of fact concerning the state of the art and the teachings of the references applied. In certain circumstances, it may also be important to include explicit findings as to how a person of ordinary skill would have understood prior art teachings, or what a person of ordinary skill would have known or could have done. Factual findings made by Office personnel are the necessary underpinnings to establish obviousness.

MPEP § 2141(II) (emphasis added).

In sum, the Examiner's assertions are merely conclusory and unsupported by any factual findings, let alone factual findings supported by substantial evidence; and without such factual findings, there is no *prima facie* case of obviousness. In order for the Office Action to make a valid *prima facie* case of obviousness, it must provide some evidence. As such, Applicant demands that the Office Action provide concrete evidence for the proffered motivation to expand the teachings of the art if the rejections are to be maintained.

2. There Is No Reasonable Expectation of Success

Furthermore, the Office Action is silent with respect to reasonable expectation of success—an element required for the showing of any obviousness rejection. MPEP §2143.02. Due to the omission of each of the three essential elements for an obviousness rejection (i.e., claim language, motivation to combine, and reasonable expectation of success), three separate reasons exist for no rejection. Even if a rejection is maintained or raised, final rejection is premature.

3. Certain Limitations Are Not Disclosed in the Art of Record

Independent claims 2, 38, 116, and 133 recite or incorporate a “futures contract” for a “vehicle.” Neither Himmelstein, Wang, or Arduino discloses a futures contract for a vehicle. When a claim recites a limitation that is absent from the art, the claim is not obvious. MPEP §2143.03; *Motorola v. Interdigital Technology Corp.*, 121 F.3d 1461, 1466-67, 43 USPQ2d 1490, 1490-91 (Fed. Cir. 1997) (reversing a jury verdict of obviousness because an element was not taught in the particular art relied upon, even though that element was known elsewhere). Therefore, the Office Action has failed to state a *prima facie* case of obviousness for independent claims 2, 38, 116 and 133.

For at least the foregoing reasons, any rejection under §103(a) that may exist (Applicant notes that the Office Action is insufficiently complete to reject any claim) should be withdrawn.

General Comments on Dependent Claims

Since each of the dependent claims depends from a base claim that is believed to be in condition for allowance, Applicants believe that it is unnecessary at this time to argue the allowability of each of the dependent claims individually. However, Applicants do not necessarily concur with the interpretation of the dependent claims as set forth in the Office Action, nor do Applicants concur that the basis for the rejection of any of the dependent claims is proper. Therefore, Applicants reserve the right to specifically address the patentability of the dependent claims in the future, if deemed necessary.

CONCLUSION

In general, the absence of a reply to a specific rejection, issue or comment does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

In view of the foregoing amendments and remarks, Applicants respectfully submit that the application is in condition for allowance, and such action is respectfully requested at the Examiner's earliest convenience.

It is not believed that extensions of time or fees for net addition of claims are required beyond those that may otherwise be provided for in this paper or documents accompanying this paper. However, if additional extensions of time are necessary to prevent abandonment of this application, then such extensions of time are hereby petitioned under 37 C.F.R. § 1.136(a), and any fees required therefor (including fees for net addition of claims) are hereby authorized to be charged to Deposit Account No. 50-3938.

Applicants' undersigned attorney can be reached at the address shown below. All telephone calls should be directed to the undersigned at (212) 294-8055.

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Respectfully submitted,

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